



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE
TOTAL HEALTH CARE, INC.

NAIC Group Code	1238 (Current Period)	1238 (Prior Period)	NAIC Company Code	95644	Employer's ID Number	38-2018957
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	07/01/1973		Commenced Business	05/01/1976		
Statutory Home Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)		DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)			
Main Administrative Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)		DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)			
Mail Address	3011 W. GRAND BLVD. SUITE 1600 (Street and Number or P.O. Box)		DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Internet Website Address	THCMI.COM		(313)871-2000 (Area Code) (Telephone Number)			
Statutory Statement Contact	NICOLE ROUSH, CFO (Name)		(313)871-6402 (Area Code)(Telephone Number)(Extension)			
	NROUSH@THCMI.COM (E-Mail Address)		(313)871-4762 (Fax Number)			

OFFICERS

Name	Title
RANDY NAROWITZ	EXECUTIVE DIRECTOR
JEANETTE ABBOTT	TREASURER
ROBYN JAMES ARRINGTON JR.,M.D.	MEDICAL DIRECTOR
DOUGLAS PAUL BAKER	CHAIRPERSON
RUBY OCTAVIA COLE	V-CHAIRPERSON/SECRETARY

OTHERS

DIRECTORS OR TRUSTEES

JEANETTE ABBOTT
RUBY OCTAVIA COLE
DOREEN CARTER

DOUGLAS PAUL BAKER
ELIZABETH PRATCHER

State of Michigan
County of WAYNE ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) RANDY NAROWITZ	(Signature) NICOLE ROUSH	(Signature) DOUGLAS PAUL BAKER
(Printed Name) 1. EXECUTIVE DIRECTOR	(Printed Name) 2. CHIEF FINANCIAL OFFICER	(Printed Name) 3. CHAIRPERSON
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2019

a. Is this an original filing? Yes[X] No[]

b. If no, 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	994,043		994,043	995,850
2.	Stocks (Schedule D):				
2.1	Preferred stocks				
2.2	Common Stocks	42,563,170		42,563,170	45,839,950
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....21,643,410, Schedule E Part 1), cash equivalents (\$.....3,410,536, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	25,053,946		25,053,946	26,481,886
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	68,611,159		68,611,159	73,317,686
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	70,906		70,906	45,542
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	25,059,105		25,059,105	20,143,906
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	1,869,523		1,869,523	212,560
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				
24.	Health care (\$.....2,626,129) and other amounts receivable	3,464,483	838,354	2,626,129	1,470,714
25.	Aggregate write-ins for other than invested assets	9,775,984	76,304	9,699,680	10,303
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	108,851,160	914,658	107,936,502	95,200,711
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	108,851,160	914,658	107,936,502	95,200,711
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepaid Expenses	76,304	76,304		
2502.	Insurance Provider Assessment Payable	9,699,680		9,699,680	10,303
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	9,775,984	76,304	9,699,680	10,303

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	39,482,845		39,482,845	36,945,706
2.	Accrued medical incentive pool and bonus amounts	1,995,473		1,995,473	1,300,379
3.	Unpaid claims adjustment expenses	799,004		799,004	749,105
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	5,490,000		5,490,000	8,482,000
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	42,979		42,979	499,268
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated	26,120		26,120	48,499
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	20,707		20,707	69
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified (\$.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.....0 current)	9,699,680		9,699,680	
24.	TOTAL Liabilities (Lines 1 to 23)	57,556,808		57,556,808	48,025,026
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X		
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	50,379,694	47,175,685
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	50,379,694	47,175,685
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	107,936,502	95,200,711
DETAILS OF WRITE-INS					
2301.	Insurance Provider Assessment Payable	9,699,680		9,699,680	
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	9,699,680		9,699,680	
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	619,607	648,736
2.	Net premium income (including \$.....0 non-health premium income)	X X X	183,424,560	261,253,053
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		(82,914)
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	183,424,560	261,170,139
Hospital and Medical:				
9.	Hospital/medical benefits		101,520,346	169,556,287
10.	Other professional services		11,463,431	11,454,495
11.	Outside referrals			
12.	Emergency room and out-of-area		20,367,396	23,665,372
13.	Prescription drugs		36,109,281	35,365,861
14.	Aggregate write-ins for other hospital and medical		27,990	1,096,625
15.	Incentive pool, withhold adjustments and bonus amounts		173,177	132,810
16.	Subtotal (Lines 9 to 15)		169,661,621	241,271,450
Less:				
17.	Net reinsurance recoveries		1,999,198	260,485
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		167,662,423	241,010,965
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....477,429 cost containment expenses		477,429	494,058
21.	General administrative expenses		26,039,348	26,881,610
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		(2,992,000)	8,482,000
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		191,187,200	276,868,633
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(7,762,640)	(15,698,494)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		14,461,164	277,673
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		14,461,164	277,673
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	6,698,524	(15,420,821)
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	6,698,524	(15,420,821)
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Child Adolescent Outreach		27,990	811,154
1402.	Clinical Incentive			273,579
1403.	SIM PCMH			11,892
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		27,990	1,096,625
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	47,175,685	46,543,620
34.	Net income or (loss) from Line 32	6,698,524	(15,420,821)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(3,276,780)	15,922,575
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(217,736)	130,311
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	3,204,008	632,065
49.	Capital and surplus end of reporting year (Line 33 plus 48)	50,379,693	47,175,685
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	178,509,361	243,117,182
2.	Net investment income	14,435,800	255,760
3.	Miscellaneous income	(1,385,695)	885,603
4.	TOTAL (Lines 1 through 3)	191,559,466	244,258,545
5.	Benefit and loss related payments	166,087,153	237,832,256
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	17,223,487	27,460,409
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	TOTAL (Lines 5 through 9)	183,310,640	265,292,665
11.	Net cash from operations (Line 4 minus Line 10)	8,248,826	(21,034,120)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		999,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	1,808	5,690
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	1,808	1,004,690
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		1,000,000
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)		1,000,000
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	1,808	4,690
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(9,678,573)	44,055
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(9,678,573)	44,055
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,427,940)	(20,985,375)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	26,481,886	47,467,261
19.2	End of year (Line 18 plus Line 19.1)	25,053,946	26,481,886

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....	
20.0002	.....	

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	183,424,560						266,558	183,158,002		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	183,424,560						266,558	183,158,002		
8.	Hospital/medical benefits	101,520,346						130,882	101,389,464		X X X
9.	Other professional services	11,463,431						28,269	11,435,162		X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	20,367,396						5,995	20,361,401		X X X
12.	Prescription drugs	36,109,281						8,016	36,101,265		X X X
13.	Aggregate write-ins for other hospital and medical	27,990							27,990		X X X
14.	Incentive pool, withhold adjustments and bonus amounts	173,177						15,486	157,691		X X X
15.	Subtotal (Lines 8 to 14)	169,661,621						188,648	169,472,973		X X X
16.	Net reinsurance recoveries	1,999,198							1,999,198		X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	167,662,423						188,648	167,473,775		X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....477,429 cost containment expenses	477,429						741	476,688		
20.	General administrative expenses	26,039,348						79,663	25,959,685		
21.	Increase in reserves for accident and health contracts	(2,992,000)						(5,026)	(2,986,974)		X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	191,187,200						264,026	190,923,174		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(7,762,640)						2,532	(7,765,172)		
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	Clinical Incentive	27,990							27,990		X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	27,990							27,990		X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare	266,725	.....	167	266,558
7.	Title XIX - Medicaid	183,433,733	.....	275,731	183,158,002
8.	Other health .....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 through 8)	183,700,458	.....	275,898	183,424,560
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11)	183,700,458	.....	275,898	183,424,560

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	164,430,189						172,130	164,258,059		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	342,236							342,236		
1.4 Net	164,087,953						172,130	163,915,823		
2. Paid medical incentive pools and bonuses	(521,918)						52,273	(574,191)		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	39,482,845							39,482,845		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	39,482,845							39,482,845		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	1,995,474						15,486	1,979,988		
6. Net healthcare receivables (a)	(2,521,116)							(2,521,116)		
7. Amounts recoverable from reinsurers December 31, current year ..	1,869,523							1,869,523		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	36,945,706							36,945,706		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	36,945,706							36,945,706		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	1,300,379						52,273	1,248,106		
11. Amounts recoverable from reinsurers December 31, prior year	212,560							212,560		
12. Incurred benefits:										
12.1 Direct	169,488,444						172,130	169,316,314		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	1,999,199							1,999,199		
12.4 Net	167,489,245						172,130	167,317,115		
13. Incurred medical incentive pools and bonuses	173,177						15,486	157,691		

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	26,806,793							26,806,793		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	26,806,793							26,806,793		
2. Incurred but Unreported:										
2.1 Direct	12,676,052							12,676,052		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	12,676,052							12,676,052		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	39,482,845							39,482,845		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	39,482,845							39,482,845		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	(84)	84			(84)	
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	8,771	163,359			8,771	
7.	Title XIX - Medicaid	34,379,262	130,400,715	698,276	38,784,569	35,077,538	36,945,706
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	34,387,949	130,564,158	698,276	38,784,569	35,086,225	36,945,706
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	1,233,856	(1,755,774)	87,167	1,908,307	1,321,023	1,300,379
13.	TOTALS (Lines 9 - 10 + 11 + 12)	35,621,805	128,808,384	785,443	40,692,876	36,407,248	38,246,085

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	18,190	18,362	18,323	18,310	18,304
2.	2014	202,314	227,398	227,369	230,746	230,745
3.	2015	X X X	232,106	267,552	271,493	271,343
4.	2016	X X X	X X X	212,012	240,599	240,437
5.	2017	X X X	X X X	X X X	208,920	243,636
6.	2018	X X X	X X X	X X X	X X X	128,559

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	18,300	18,362	18,323	18,309	18,304
2.	2014	231,789	229,389	229,318	229,337	230,745
3.	2015	X X X	269,032	267,739	268,250	271,340
4.	2016	X X X	X X X	243,502	237,370	240,433
5.	2017	X X X	X X X	X X X	246,266	244,429
6.	2018	X X X	X X X	X X X	X X X	169,252

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014	275,432	230,745	470	0.204	231,215	83.946		1	231,216	83.947
2.	2015	325,618	271,343	586	0.216	271,929	83.512	(3)		271,926	83.511
3.	2016	284,120	240,437	517	0.215	240,954	84.807	(4)		240,950	84.806
4.	2017	262,040	243,636	478	0.196	244,114	93.159	793	24	244,931	93.471
5.	2018	183,692	128,559	290	0.226	128,849	70.144	40,693	775	170,317	92.719

12 Grand Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	75	75	75	74	74
2.	2014	104	108	112	112	112
3.	2015	X X X	4	4	4	4
4.	2016	X X X	X X X	(4)	(4)	(4)
5.	2017	X X X	X X X	X X X	1	1
6.	2018	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	75	75	75	74	74
2.	2014	111	108	112	112	112
3.	2015	X X X	4	4	4	4
4.	2016	X X X	X X X	(4)	(4)	(4)
5.	2017	X X X	X X X	X X X	1	1
6.	2018	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014	81	112			112	138.272		1	113	139.506
2.	2015		4			4				4	
3.	2016		(4)			(4)				(4)	
4.	2017		1			1				1	
5.	2018										

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XVIII - Medicare
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014	1,293	1,298	1,298	1,298	1,307
3.	2015	X X X	3,248	3,247	3,239	3,239
4.	2016	X X X	X X X	3,234	3,234	3,234
5.	2017	X X X	X X X	X X X	10	10
6.	2018	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014	2,813	3,248	3,247	3,238	1,307
3.	2015	X X X	2,916	3,234	3,234	3,239
4.	2016	X X X	X X X	10	10	3,234
5.	2017	X X X	X X X	X X X	90	10
6.	2018	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014	3,077	1,307	10	0.765	1,317	42.801			1,317	42.801
2.	2015	3,217	3,239	7	0.216	3,246	100.901			3,246	100.901
3.	2016		3,234	1	0.031	3,235				3,235	
4.	2017	870	10			10	1.149			10	1.149
5.	2018	267									

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	18,115	18,287	18,248	18,236	18,230
2.	2014	200,917	225,992	225,959	229,336	229,326
3.	2015	X X X	228,854	264,301	268,250	268,100
4.	2016	X X X	X X X	208,782	237,369	237,207
5.	2017	X X X	X X X	X X X	208,909	243,625
6.	2018	X X X	X X X	X X X	X X X	128,559

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	18,225	18,287	18,248	18,235	18,230
2.	2014	228,865	226,033	225,959	225,987	229,326
3.	2015	X X X	266,112	264,501	265,012	268,097
4.	2016	X X X	X X X	243,496	237,364	237,203
5.	2017	X X X	X X X	X X X	246,175	244,418
6.	2018	X X X	X X X	X X X	X X X	169,252

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014	272,274	229,326	460	0.201	229,786	84.395			229,786	84.395
2.	2015	322,401	268,100	579	0.216	268,679	83.337	(3)		268,676	83.336
3.	2016	284,120	237,207	516	0.217	237,723	83.670	(4)		237,719	83.668
4.	2017	261,170	243,625	478	0.196	244,103	93.465	793	24	244,920	93.778
5.	2018	183,425	128,559	290	0.226	128,849	70.246	40,693	775	170,317	92.854

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014					
3.	2015					
4.	2016					
5.	2017					
6.	2018					

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior					
2.	2014					
3.	2015					
4.	2016					
5.	2017					
6.	2018					

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014										
2.	2015										
3.	2016										
4.	2017										
5.	2018										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves	5,490,000							5,490,000	
6. TOTALS (Gross)	5,490,000							5,490,000	
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	5,490,000							5,490,000	
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. PREMIUM DEFICIENCY RESERVE	5,490,000							5,490,000	
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	5,490,000							5,490,000	
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)			130,843		130,843
2.	Salaries, wages and other benefits	477,429		9,945,046		10,422,475
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4.	Legal fees and expenses			72,041		72,041
5.	Certifications and accreditation fees			922,735		922,735
6.	Auditing, actuarial and other consulting services			922,735		922,735
7.	Traveling expenses			820,210		820,210
8.	Marketing and advertising			2,604		2,604
9.	Postage, express and telephone			1,537,893		1,537,893
10.	Printing and office supplies			2,153,051		2,153,051
11.	Occupancy, depreciation and amortization			1,845,472		1,845,472
12.	Equipment			512,631		512,631
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services			3,379,302		3,379,302
15.	Boards, bureaus and association fees			205,052		205,052
16.	Insurance, except on real estate			1,266,710		1,266,710
17.	Collection and bank service charges			205,052		205,052
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes			82,250		82,250
23.3	Regulatory authority licenses and fees			1,625,614		1,625,614
23.4	Payroll taxes			410,106		410,106
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses					
26.	TOTAL Expenses Incurred (Lines 1 to 25)	477,429		26,039,347		(a) 26,516,776
27.	Less expenses unpaid December 31, current year			42,979		42,979
28.	Add expenses unpaid December 31, prior year			499,268		499,268
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	477,429		26,495,636		26,973,065
DETAILS OF WRITE-INS						
2501.	.....				
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)					

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) .....	.....
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) 16,625	..... 16,625
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	..... 14,000,000	..... 14,000,000
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 415,592	..... 444,539
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	TOTAL gross investment income .....	..... 14,432,217	..... 14,461,164
11.	Investment expenses	(g)	
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g)	
13.	Interest expense	(h)	
14.	Depreciation on real estate and other invested assets	(i)	
15.	Aggregate write-ins for deductions from investment income .....	.....
16.	TOTAL Deductions (Lines 11 through 15) .....	.....
17.	Net Investment income (Line 10 minus Line 16) .....	..... 14,461,164	
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	..... (3,276,780)	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	TOTAL Capital gains (losses) .....	.....	.....	.....	..... (3,276,780)	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) ..	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection			
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers			
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset			
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets			
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	838,354	608,074	(230,280)
25.	Aggregate write-ins for other than invested assets	76,304	88,848	12,544
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	914,658	696,922	(217,736)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	914,658	696,922	(217,736)
DETAILS OF WRITE-INS				
1101.	.....		
1102.	.....		
1103.	.....		
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Prepaid Expense	76,304	88,848	12,544
2502.	.....		
2503.	.....		
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	76,304	88,848	12,544

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	52,354	50,058	52,710	52,408	51,066	619,607
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	52,354	50,058	52,710	52,408	51,066	619,607
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies

Total Health Care, Inc. (the "Company"), a not-for-profit corporation, operates as a state-licensed health maintenance organization (HMO). The Company provides medical services to persons primarily in southeastern Michigan who subscribe as recipients of federal and state health benefits or as individuals.

Total Health Care, Inc., and its wholly owned subsidiary, Total Health Care USA, Inc., have common officers on their respective governing boards.

a. Accounting Practices

The accompanying financial statements of Total Health Care, Inc. (the “Company” or “THC”) have been prepared in conformity with statutory accounting practices prescribed or permitted by Section 1007 of the Michigan statutes of the state of Michigan for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Michigan Insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

Statutory accounting principles differ from generally accepted accounting principles (GAAP) in their definition of assets and liabilities. Specifically, certain assets (such as intangible assets and receivables greater than 90 days) are excluded from the statutory-basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$915,000 and \$697,000 at December 31, 2018 and December 31, 2017, respectively. There are no significant differences between statutory accounting principles prescribed by NAIC and the State of Michigan accounting requirements that are applicable to the Company.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

NET INCOME		SSAP#	F/S Page	F/S Line #	2018	2017
(1) Total Health Care state basis(Page 4, Line 32, Columns 2 & 3)		XXX	XXX	XXX	6,698,524	(15,420,821)
(2) State Prescribed Practices that increase (decrease) NAIC SAP:		N/A	N/A	N/A	-	-
(3) State Permitted Practices that increase (decrease) NAIC SAP:		N/A	N/A	N/A	-	-
(4) NAIC SAP	(1-2-3=4)	XXX	XXX	XXX	6,698,524	(15,420,821)
SURPLUS						
(5) Total Health Care state basis (Page3, Line 33, Columns 3 & 4)		XXX	XXX	XXX	50,379,693	47,175,685
(6) State Prescribed Practices that increase (decrease) NAIC SAP:		N/A	N/A	N/A	-	-
(7) State Permitted Practices that increase (decrease) NAIC SAP:		N/A	N/A	N/A	-	-
(8) NAIC SAP	(5-6-7=8)	XXX	XXX	XXX	50,379,693	47,175,685

b. Use of Estimates in the Preparation of the Financial Statements.

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Certain significant estimates exist relating to unpaid claims. It is at least reasonably possible that these estimates will be materially revised in the near term.

c. Accounting Policy

Notes to Financial Statements

Cash and Short-term Investments - The Company considers all highly liquid investments purchased with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date are considered cash under statutory accounting principles. Short-term investments are stated at amortized cost.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments and long-term certificates of deposit are recorded at amortized cost, which approximates fair market value. Long-term certificates of deposit are classified as bonds on the balance sheet per statutory guidance. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net investment income on the statement of operations. Changes in unrealized gains and losses on investments are included as a direct adjustment to capital and surplus.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) The Company had no common stocks except items noted in (7) below.
- (4) The Company had no preferred stocks.
- (5) The Company had no mortgage loans.
- (6) The Company had no loan-backed securities.
- (7) The Company had investments in health care subsidiaries which are reported at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet.
- (8) The Company had no joint ventures of limited partnerships.
- (9) The Company had no derivatives.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company's pharmaceutical rebate receivables are recorded when received as amounts are not estimable.

Revenue Recognition and Accounts Receivable – Capitation revenue and subscriber premiums are recognized in the period that members are entitled to related health care services. A portion of the health care receivable is due from third-party payors for subscribers located within southeastern Michigan. No allowance for doubtful accounts is recorded at December 31, 2018 and December 31, 2017, respectively. Receivables greater than 90 days old are treated as non-admitted for statutory accounting purposes. Approximately \$838,000 and \$608,000 of receivables greater than 90 days old were non-admitted at December 31, 2018 and December 31, 2017, respectively.

Recognition of Medical and Hospital Expenses - Medical and hospital expenses and the related liabilities are recorded when eligible medical and hospital services are authorized or performed. Claims unpaid represent management's estimate of the ultimate cost to settle all claims incurred prior to year-end.

Physician Group Contracts - The Company contracts with certain physician groups for the provision of medical care and compensates the groups on a capitation basis. These contracts have a pay-for-performance incentive. If the providers meet the incentives, they share in the savings and a payable is recorded. If the providers do not meet the incentives, they share in the excess costs and a health care receivable is recorded if deemed collectible by management. During 2018 and 2017, health care receivables and payables have been recorded from/to providers.

Notes to Financial Statements

Hospital and Other Group Contracts - The Company contracts with several hospitals and other groups. These contracts are paid under capitated fees or various other charge arrangements.

Malpractice Claims - The Company has a claims-made policy for malpractice insurance. The Company's policy is to accrue for estimated costs of claims and incidents during the term of the claims-made policy.

Employee Staffing and Purchased Services Agreement - The Company has an employee staffing and purchased services agreement with a limited liability company, which is responsible for payment of most of the management, operational, and administrative expenses. Ultimate operational control rests with the board of directors of Total Health Care, Inc.

Income Taxes - Total Health Care, Inc. has received federal income tax exemption under Internal Revenue Code Section 501(c)(4). The Company is also exempt from state and local income taxes.

2. Accounting Changes and Corrections of Errors

During 2018, at the direction the Michigan Department of Insurance and Financial Services, the Company has changed its method of accounting for the managed care Medicaid pass-through payments, which consist of the Specialty Network Access Fee (SNAF), Graduate Medical Education (GME), and the Hospital Rate Adjustment (HRA). Previously, pass-through payments received from the Michigan Department of Health & Human Services (MDHHS) and related payments to providers were reported within net premiums earned and claims incurred, respectively.

3. Business Combinations and Goodwill

- a. **Statutory Purchase Method**- None
- b. **Statutory Merger** - None
- c. **Assumption Reinsurance** – None
- d. **Impairment Loss** – None

4. Discontinued Operations

None

5. Investments

- a. Mortgage Loans, including Mezzanine Real Estate Loans – None
- b. Debt Restructuring – None
- c. Reverse Mortgages – None
- d. Loan-Backed Securities – None
- e. Dollar Repurchase Agreements and/or Securities Lending Transactions – None
- f. Repurchase Agreements Transactions Accounted for as Secured Borrowing –None
- g. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing –None
- h. Repurchase Agreements Transactions Accounted for as a Sale – None
- i. Reverse Repurchase Agreements Transactions Accounted for as a Sale – None
- j. Real Estate – None
- k. Low-income housing tax credits (LIHTC) – None
- l. Restricted Assets
- (1) Restricted Assets (Including Pledged)

Notes to Financial Statements

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Admitted Assets	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Assets
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
e. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale						
i. FHLB capital stock						
j. On deposit with states	1,021,428	1,002,337	19,091	1,021,428	.94%	.95%
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB (including assets backing funding agreements)						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets	\$ 1,021,428	\$ 1,002,337	\$ 19,091	\$ 1,021,428	.94%	.95%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

(3) Detail of Other Restricted Assets – None

(4) Collateral Received and Reflected as Assets Within the Reporting Entity’s Financial Statements
- None

m. Working Capital Finance Investments - None

n. Offsetting and Netting of Assets and Liabilities - None

o. Structured Notes – None

p. 5* Securities – None

q. Short Sales –None

r. Prepayment Penalty and Acceleration Fees --None

6. Joint Ventures, Partnerships and Limited Liability Companies

Notes to Financial Statements

A. The Company does not have any Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets.

B. The Company does not have any impaired investment in Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

a. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.

b. The Company had no investment income due and accrued excluded from surplus.

8. Derivative Instruments

None

9. Income Taxes

None

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

a, b, & c

The Company owns 100 percent of a subsidiary: Total Health Care USA, Inc., whose carrying value is equal to or exceeds 10% of the total admitted assets of the company. The Company carries Total Health Care USA, Inc. at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet.

Total Health Care USA, Inc. has a statutory statement value of \$42,563,171 and \$45,839,950 at December 31, 2018 and December 31, 2017, respectively. The value of investments in Total Health Care USA, Inc. has been reduced by non-admitted assets totaling \$286,429 and \$416,282 at December 31, 2018 and December 31, 2017, respectively.

Total Health Care USA, Inc.'s (Total USA) net income was \$10,593,368 and \$15,473,372 at December 31, 2018 and December 31, 2017, respectively.

During the year ended December 31, 2018, the Company received dividends of \$14 million from USA, all of which were approved by the Michigan Department of Insurance and Financial Services.

d. Amounts Due from or (to) Related Parties – At December 31, 2018 and December 31, 2017, the Company had amounts due to subsidiaries of \$20,707 and \$69, respectively, resulting from costs paid by the Company on behalf of subsidiaries for operating expenses.

e. Guarantees – The Company has no guarantees with any companies within its holding company structure.

f. Material Employee, Office Space and Equipment Leasing Agreement – The Company has an employee, office space, and equipment leasing agreement with Total Health Care USA, Inc. (USA). The agreement calls for the Company to provide personnel, office space, and supplies necessary to USA in order for USA to carry out its HMO business operations. The agreement calls for USA to pay the Company 12 to 13 percent of USA's gross revenue from the second preceding month after certain deductions. During 2018 and 2017, the proceeds from this arrangement totaled \$23,388,940 and \$17,787,359, respectively.

g. Common Control - Total Health Care, Inc., and its wholly owned subsidiary, Total Health Care USA, Inc., have common officers on their respective governing boards. Total Health Care, Inc., the Parent Company, is domiciled in the State of Michigan.

h. Deductions in Value - There have been no deductions in value between affiliated companies.

i. SCA that exceed 10% of Admitted Assets - None

Notes to Financial Statements

j. Impaired SCAs - The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled, or Affiliated Companies during the statement period.

k. Foreign Subsidiary - None

l. Downstream Noninsurance Holding Company – None

m. All SCA Investments – N/A, exception for 8bi entity

n. Investment in Insurance SCAs – There are no departures from the NAIC statutory accounting practices and procedures (e.g., permitted or prescribed practices) relative to our investment in the above mentioned insurance SCA.

o. SCA Loss Tracking – None. The SCA is not in a loss position.

11. Debt

None

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits, Compensated Absences and other Postretirement Benefit Plans.

a.- d. Defined Benefit Plan – None

e. Defined Contribution Plans – None.

f. Multi-Employer Plan – None

g. Consolidated/Holding Company Plans – None

h. Post-Employment Benefits and Compensated Absences – None

i. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

1) The Company has issued no capital stock.

2) The Company has no preferred stock outstanding.

(3) Dividends are paid as determined by the Board of Directors with the approval of the Commissioner of the Michigan Department of Insurance and Financial Services, as long as the Company meets or exceeds minimum surplus requirements.

(4) During 2018 the Company did not pay dividends.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.

(7) The Company has no advances to surplus not repaid.

(8) The Company held no stock.

(9) There were no changes to the balances of any special surplus funds from the prior year.

(10) The portion of unassigned surplus represented unrealized gains is \$36,922,080 and \$39,566,859 at December 31, 2018 and December 31, 2017, respectively.

Unassigned surplus has been reduced by non-admitted assets totaling \$914,658 and \$696,922 at December 31, 2018 and December 31, 2017, respectively.

Notes to Financial Statements

(11) The Company did not issue any surplus debentures or similar obligations.

(12) and (13) There have been no quasi-reorganizations.

14. Liabilities, Contingencies and Assessments

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. No amounts have been accrued for losses as no losses are deemed probable or estimable. Estimated losses for claims-related matters are accrued as claims unpaid.

- a. Contingent Commitments – None
- b. Assessments – None
- c. Gain Contingencies – None
- d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits – None
- e. Joint and Several Liabilities - None
- f. All Other Contingencies – There are no balances of assets covered by SSAP No. 6, Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

15. Leases

A. Lessee Operating Lease

(1) The Company leases office space and computer software services under various non-cancelable operating lease agreements that expire through July 31, 2022. Rent payments are the responsibility of the management company and are included in the monthly payment under the employee staffing and purchased services agreement. Rent expense for 2018 and 2017 was approximately \$243,000 and \$921,000, respectively.

(2) The future minimum rental payments under the operating lease as of December 31, 2018 are as follows:

Year Ending December 31	Operating Leases
2016	\$ 469,154
2017	938,362
2018	938,362
2019	202,357
2020	135,447
Thereafter	214,459
Total	<u>\$ 2,898,141</u>

(3) The company is not involved in any material sales – leaseback transactions.

B. Lessor Leases

None

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations Of Credit Risk.

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.

- a. Transfers of Receivables reported as Sales – None

Notes to Financial Statements

b. Transfer and Servicing of Financial Assets – None

c. Wash Sales – None

18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans.

a. ASO Plans – None

Medicaid pass-through payments (GME, HRA, SNAF, etc) received and paid on behalf of the Michigan Department of Health & Human Services (MDHHS) to the hospitals and health centers are being disclosed under ASO Plans as directed by the Michigan Department of Insurance & Financial Services. These payments were previously included in Net Premium Income and Hospital/Medical Benefits on the Statement of Revenue and Expenses and will now be netted and the remaining reimbursement of expenses to process these payments will be reflected as a reduction of General Administrative Expenses. The net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses was \$(777,272) for the period ended December 31, 2018.

b. ASC Plans – None.

c. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

None

20. Fair Value Measurements

The following table presents information about the Company’s assets and liabilities measured at fair value at December 31, 2018, and the valuation techniques used by the Company to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based in the lowest level input that is significant to the valuation. The Company’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

A. (1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)		(Level 2)		(Level 3)		Total	
a. Assets at Fair Value								
Perpetual Preferred Stock								
Industrial and Misc	\$	-	\$	-	\$	-	\$	-
Parent, Subsidiaries and Affiliates		-		-		-		-
Total Perpetual Preferred Stocks	\$	-	\$	-	\$	-	\$	-
Bonds								
U.S. Governments	\$	-	\$	-	\$	-	\$	-
Industrial and Misc		-		1,021,428		-		1,021,428
Hybrid Securities		-		-		-		-
Parent, Subsidiaries and Affiliates		-		-		-		-
Total Bonds	\$	-	\$	1,021,428	\$	-	\$	1,021,428
Common Stock								
Industrial and Misc	\$	-	\$	-	\$	-	\$	-

Notes to Financial Statements

Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Derivative Assets				
Interest Rate Contracts	\$ -	\$ -	\$ -	\$ -
Foreign Exchange Contracts	-	-	-	-
Credit Contracts	-	-	-	-
Commodity Futures Contracts	-	-	-	-
Commodity Forward Contracts	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -
Separate Account Assets	\$ -	\$ -	\$ -	\$ -
Total Assets at Fair Value	\$ -	\$ 1,021,428	\$ -	\$ 1,021,428
b. Liabilities at Fair Value				
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -

(2) Fair Value Measurements in (Level 3) of the Fair Value - None

(3) The Company’s policy for determining when transfers between levels are recognized is determined at the end of the reporting period.

(4) The Company has not valued any securities at a Level 3.

(5) Derivative assets and liabilities- None

B. N/A

C. Aggregate Fair Value for all Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 1,021,428	\$ 1,021,428	\$ -	\$ 1,021,428	\$ -	\$ -
Common Stock	-	-	-	-	-	-
Perpetual Preferred Stock	-	-	-	-	-	-
Mortgage Loans	-	-	-	-	-	-
Totals	\$ 1,021,428	\$ 1,021,428	\$ -	\$ 1,021,428	\$ -	\$ -

D. Not Practicable to Estimate Fair Value – N/A

E. N/A

21. Other Items

a. Extraordinary Items – None

b. Troubled Debt Restructuring – None

c. Other Disclosures and Unusual Items - Funds Maintained Under Statutory Requirements - The Company maintains segregated funds under statutory requirements to protect members and health care providers in the event the Company is unable to meet its contractual obligations. These funds can be used only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. These funds are classified according to the nature of the investment. At December 31, 2018 and December 31, 2017, the Company maintained \$1,021,428 and \$1,002,337, respectively, in long-term certificates of deposit and money market funds to fulfill these requirements. Interest earned on these funds can be utilized by the Company.

Notes to Financial Statements

At December 31, 2018 and December 31, 2017, the Company had admitted assets of \$21,614,620 and \$27,685,234, respectively, in accounts receivable for amounts due from subscribers, governmental entities, and other health care providers. During 2018 and 2017, the Company routinely assessed the collectability of these receivables and directly wrote off any uncollectible receivables accordingly. Receivables not expected to be collected within 90 days were considered non-admitted.

- d. Business Interruption Insurance Recoveries - None
- e. State Transferable and Non-transferable Tax Credits - None
- f. Subprime Mortgage Related Risk Exposure – None, The Companies wholly-owned subsidiaries have no activity related to subprime related risk exposure.
- g. Retained Assets – None
- h. Insurance-Linked Securities (ILS) Contracts - None

22. Events Subsequent

Type I. – Recognized Subsequent Events –

Subsequent events have been considered through 02/27/2019 for the statutory statement issued on December 31, 2018.

None

Type II. – Non-recognized Subsequent Events –

Subsequent events have been considered through 02/27/2019 for the statutory statement issued on December 31, 2019.

The Company is not be subject to an annual fee under section 9010 of the Affordable care Act (ACA) because it qualifies as a nonprofit corporation meeting the requirements of Section 57.2(b)(2)(iv) of the Act. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2018, the Company has written health insurance subject to the ACA assessment but qualifies as a nonprofit corporation meeting the requirements as noted above, expects to conduct health insurance business in 2019, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2019 to be \$0. This assessment is expected to impact risk based capital by 0%. Reporting the ACA assessment as of December 31, 2018 would not have triggered an RBC action level.

	Current Year	Prior Year
A. ACA fee assessment payable for the upcoming year	\$ -	\$ -
B. ACA fee assessment paid	\$ -	\$ -
C. Premium written subject to ACA 9010 assessment	\$ -	\$ -
D. Total Adjusted Capital before surplus adjustment	\$ 50,379,694	\$ 47,175,685
E. Authorized Control Level before surplus adjustment	\$ 12,130,377	\$ 11,780,805
F. Total Adjusted Capital after surplus adjustment	\$ 50,379,694	\$ 47,175,685
G. Authorized Control Level after surplus adjustment	\$ 12,130,377	\$ 11,780,805
H. Would reporting the ACA assessment as of Dec. 31, 2014 trigger an RBC action level? (YES/NO)	No	No

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Notes to Financial Statements

Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (x)

a. Not Applicable

b. The Company had reinsurance recoverable receivables of \$1,869,523 and \$212,560 recorded at December 31, 2018 and December 31, 2017, respectively. The estimated reduction in surplus is zero.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B

(1) The estimated reduction in surplus is zero.

(2) The Company has renewed an agreement with Star Line Group effective November 1, 2018. The reinsurance policy provides the same coverage's on an annual per member basis after a \$300,000 (Medicaid CSHCS, Medicaid non-CSHCS, Dual eligible and Commercial Individual) deductible is reached. The maximum lifetime reinsurance indemnity payable under each agreement is \$2,000,000 per member. The reinsurance policy also provides for a supplemental corridor adjustment to reinsurance recoverable applied with the lower of: 1) 50% of reinsurance premiums paid by both the Company and USA, or 2) the sum of 0.73 times the number of commercial members (of both the Company and USA), 0.59 times the number of Medicaid (non-CSHCS) and dual eligible members (of the Company), and 44.07 times the number of Medicaid (CSHCS) members (of the Company) during the policy period. The retained corridor will be calculated upon expiration of the policy and will be allocated to the Company based on its share of the policy recoveries.

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its Healthy Michigan program based on the medical loss ratio of this program. These no longer applied as of January 1, 2016.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premiums written by the Company at December 31, 2018 that are subject to retrospective rating features was \$0 that represented 0% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. At December 31, 2018, the Company had no medical loss ratio rebates required pursuant to the Public Health Service Act.

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premiums which is subject to the

Notes to Financial Statements

Affordable Care Act risk sharing provisions (YES/NO)? NO

The Company has zero balances for the risk corridors program subject to the Affordable Care Act risk sharing provisions.

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year - None

a. Permanent ACA Risk Adjustment Program		Amount
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment		\$ -
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		\$ -
3. Premium adjustments payable due to ACA Risk Adjustment		\$ -
Operations (Revenue & Expenses)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		\$ -
5. Reported in expenses as ACA risk adjustment user fees (incurred/Paid)		\$ -
b. Transitional ACA Reinsurance Program		
Assets		
1. Amount recoverable for claims paid due to ACA Reinsurance		\$ -
2. Amount recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		\$ -
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		\$ -
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		\$ -
5. Ceded reinsurance premiums payable due to ACA Reinsurance		\$ -
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		\$ -
Operations (Revenue & Expenses)		
7. Ceded reinsurance premiums due to ACA Reinsurance		\$ -
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		
9. ACA Reinsurance contributions - not reported as ceded premium		\$ -
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premiums due to ACA Risk Corridors		\$ -
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		\$ -
Operations (Revenue & Expenses)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		\$ -
4. Effect of ACA Risk Corridors on change in reserves for rate credits		\$ -

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance. - None

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payment	Prior Year Accrued Less Payment	To Prior Year Balances	To Prior Year Balances	Cummulative Balance from Prior years (Col1-3+7)	Cummulative Balance from Prior years (Col2-4+8)
	1	2	3	4	5	6	7	8		
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program										
1. Premium adjustments receivable	-	-	-	-	-	-	-	-	A	-

Notes to Financial Statements

2. Premium adjustments (payable)	-	-	-	-	-	-	-	-	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	-	-	-	-	-		-	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	-	-	-	-	-	-	-	-	C	-	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums	-	-	-	-	-	-	-	-	F	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	-	-	-	-	-	-	-	-		-	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-	-	-	K	-	-
d. Total for ACA Risk Sharing Provisions	-	-	-	-	-	-	-	-		-	-

Explanations of Adjustments

A	
B	
C	
D	
E	
F	
G	
H	
I	
J	
K	

(4) Roll Forward of ACA Risk Corridor Asset and Liability Balances: - None

(5) ACA Risk Corridor Receivable: - None

25. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2017 were \$36,945,706. As of December 31, 2018, \$34,387,949 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$698,276 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive Medical lines of business. Therefore, there has been a \$1,859,481 favorable prior-year development since December 31, 2017 to December 31, 2018. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$0 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

Reserves as of December 31, 2016 were \$35,548,740. As of December 31, 2017, \$29,753,251 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$890,070 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive Medical lines of business. Therefore, there has been a \$4,905,419 favorable prior-year development since December 31, 2016 to December 31, 2017. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$0 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

The Company reports risk-sharing receivables and payables related to capitation and specialty claims arrangements based upon the terms of its contracts.

Pharmaceutical rebates receivable at December 31, 2018 and December 31, 2017 were \$0 and \$0, respectively. Rebates are netted with pharmacy expense. During 2018 and 2017, pharmacy rebates in the amount of \$175,008 and \$294,290, respectively, were collected.

Health care receivables include the following amounts related to Pharmaceutical rebates receivables.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
12/31/18	58,404	58,404	58,404	0	0
9/30/18	40,881	40,881	40,881	0	0
6/30/18	47,713	47,713	47,713	0	0
3/31/18	28,010	28,010	28,010	0	0
12/31/17	83,335	83,335	83,335	0	0
9/30/17	62,383	62,383	62,383	0	0

Notes to Financial Statements

6/30/17	89,905	89,905	89,905	0	0
3/31/17	58,668	58,668	58,668	0	0
12/31/16	94,332	94,332	94,332	0	0
9/30/16	82,634	82,634	82,634	0	0
6/30/16	116,655	116,655	116,655	0	0
3/31/16	177,160	177,160	177,160	0	0

Health care receivables include the following amounts related to specialty pool receivables.

	Evaluation Period Year Ending	Risk-Sharing Receivable as Estimated in the Prior Year	Risk-Sharing Receivable as Estimated in the Current Year	Risk-Sharing Receivable Billed	Risk-Sharing Receivable Not Yet Billed	Actual Risk-Sharing Amounts Received in Year Billed	Actual Risk-Sharing Amounts Received First Year Subsequent	Actual Risk-Sharing Amounts Received Second Year Subsequent
2018	2018	\$ 1,228,103	\$ 151,871	\$ 1,379,974	\$ -	\$ 1,379,973	\$ -	\$ -
	2019	\$ -	\$ 1,804,905	\$ -	\$ 1,804,905	\$ -	\$ -	\$ -
2017	2017	\$ 1,312,418	\$ 78,816	\$ 1,391,234	\$ -	\$ 1,391,234	\$ -	\$ -
	2018	\$ -	\$ 1,228,103	\$ -	\$ 1,228,103	\$ -	\$ -	\$ -
2016	2016	\$ 1,010,383	\$ 219,326	\$ 1,229,709	\$ -	\$ 1,229,709	\$ -	\$ -
	2017	\$ -	\$ 1,312,418	\$ -	\$ 1,312,418	\$ -	\$ -	\$ -

29. Participating Policies

None

30. Premium Deficiency Reserves – No Change

1. Liability carried for premium deficiency reserves

\$5,490,000
2. Date of the most recent evaluation of this liability

02/27/2018
3. Was anticipated investment income utilized?

Yes ☐ No ☒

31. Anticipated Salvage and Subrogation

Loss reserves have not been reduced for any salvage or subrogation. During 2018 and 2017, the Company received subrogation totaling \$617,961 and \$339,918, respectively.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
- 1.3 State Regulating?

Michigan
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group?

Yes[] No[X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/31/2017
- 3.4 By what department or departments?
MICHIGAN DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
N/A	

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
N/A		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PLANTE & MORAN, PLLC , 1111 MICHIGAN AVE., SUITE 100 ,EAST LANSING , MI 48823
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
AMY R. GIESE, MILLIMAN, 15800 BLUEMOUND ROAD, SUITE 100, BROOKFIELD, WI 53005

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved

\$ 0
- 12.13 Total book/adjusted carrying value

\$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[]
- 14.1a Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 14.1b Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- 14.1c Compliance with applicable governmental laws, rules and regulations;
- 14.1d The prompt internal reporting of violations of an appropriate person or persons identified in the code; and
- 14.1e Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$ 0
- 20.12 To stockholders not officers

\$ 0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$ 0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$ 0
- 20.22 To stockholders not officers

\$ 0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$ 0
- 21.22 Borrowed from others

\$ 0
- 21.23 Leased from others

\$ 0
- 21.24 Other

\$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$ 0
- 22.22 Amount paid as expenses

\$ 0
- 22.23 Other amounts paid

\$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[] No[] N/A[X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

GENERAL INTERROGATORIES (Continued)

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
..... 000000000
29.2999 Total

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	..... 994,043	..... 994,043	.....
30.2 Preferred stocks .....	.....	.....	.....
30.3 Totals .....	..... 994,043	..... 994,043	.....

30.4 Describe the sources or methods utilized in determining the fair values:
BANK STATEMENTS

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Yes[X] No[]
Yes[X] No[] N/A[]

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?
32.2 If no, list exceptions:

Yes[] No[X]

NOT REQUIRED BY STATE OF DOMICILE

33. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5GI securities?
34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Yes[] No[X]

Has the reporting entity self-designated PLGI securities?

Yes[] No[X]

OTHER

35.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?
35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

\$ 0

1	2
Name	Amount Paid
.....

36.1 Amount of payments for legal expenses, if any?
36.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$ 72,041

1	2
Name	Amount Paid
.....

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?
37.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

\$ 0

GENERAL INTERROGATORIES (Continued)

1	2
Name	Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)
- 15.1 Direct Premium Written

15.2 Total incurred claims

15.2 Number of covered lives
- \$

\$
- 0

0

0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?
- Yes

No

X
- Yes

No

X

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	107,936,502	95,200,711	83,179,320	84,236,667	60,499,464
2. TOTAL Liabilities (Page 3, Line 24)	57,556,808	48,025,026	36,635,700	42,524,983	30,574,738
3. Statutory minimum capital and surplus requirement	23,561,610	24,054,130	24,054,130	26,016,546	26,016,546
4. TOTAL Capital and Surplus (Page 3, Line 33)	50,379,694	47,175,685	46,543,620	41,711,684	29,924,726
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	183,424,560	261,170,139	284,119,555	322,400,684	272,273,797
6. TOTAL Medical and Hospital Expenses (Line 18)	167,662,423	241,010,965	241,059,225	266,403,768	230,699,363
7. Claims adjustment expenses (Line 20)	477,429	494,058	527,645	575,469	437,720
8. TOTAL Administrative Expenses (Line 21)	26,039,348	26,881,610	44,495,977	49,602,366	36,151,072
9. Net underwriting gain (loss) (Line 24)	(7,762,640)	(15,698,494)	(1,963,292)	5,819,081	4,985,642
10. Net investment gain (loss) (Line 27)	14,461,164	277,673	186,085	49,974	43,178
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	6,698,524	(15,420,821)	(1,777,207)	5,869,055	5,028,820
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	8,248,826	(21,034,120)	(7,115,294)	15,443,627	13,182,083
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	50,379,694	47,175,685	46,543,620	41,711,684	29,924,726
15. Authorized control level risk-based capital	12,130,377	11,780,805	12,027,065	13,751,291	13,008,273
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	51,066	52,354	54,466	62,432	62,675
17. TOTAL Members Months (Column 6, Line 7)	619,607	648,736	671,562	769,618	751,756
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	91.4	92.3	84.8	82.6	84.7
20. Cost containment expenses	0.3	0.2	0.2	0.2	0.2
21. Other claims adjustment expenses					
22. TOTAL Underwriting Deductions (Line 23)	104.2	106.0	100.7	98.2	98.2
23. TOTAL Underwriting Gain (Loss) (Line 24)	(4.2)	(6.0)	(0.7)	1.8	1.8
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	36,407,248	30,643,320	36,470,439	26,112,429	19,425,197
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	38,246,085	34,913,132	37,625,820	28,148,303	20,407,855
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	42,563,170	45,839,950	29,917,375	23,439,225	17,599,068
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31	42,563,170	45,839,950	29,917,375	23,439,225	17,599,068
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
State, Etc.		Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L		266,725	183,433,733				183,700,458	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X		266,725	183,433,733				183,700,458	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	X X X		266,725	183,433,733				183,700,458	
DETAILS OF WRITE-INS										
58001.		X X X								
58002.		X X X								
58003.		X X X								
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state

N - None of the above - Not allowed to write business in the state

1

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R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

Explanation of basis of allocation by state, premiums by state, etc.: ALL PREMIUMS ARED WRITTEN WITHIN THE STATE OF MICHIGAN.

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SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

TOTAL HEALTH CARE, INC. – PARENT
38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
383240485, NAIC #12326, STATE OF MICHIGAN

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